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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Canyon Country District

82 East Dogwood

Moab, Utah 84532

<http://www.blm.gov/ut/st/en/fo/moab.html>



RECEIVED

MAR 24 2014

DIV. OF OIL, GAS & MINING

In Reply Refer To:
UTU-68061
(UTY000)

Mrs. Sarah M. Fields
Uranium Watch
76 South Main Street, #7
PO Box 344
Moab, Utah 84532

MAR 20 2014

Re: Rim Mine, T. 31 S., R. 25 E., Section 29, West Summit, San Juan County, Utah

Dear Mrs. Fields:

This letter is in response to your letter dated February 25, 2014, regarding your concerns about the Bureau of Land Management's (BLM) regulatory oversight of operations at the Rim Mine. I will address your concerns in the order that you raised them in your letter as follows:

1. Notification to BLM of Suspension of Operations

You refer to BLM regulations at 43 CFR 3802.4-7(a) requiring an operator to provide a "Notice of suspension of operations". However, 43 CFR Subpart 3802 applies only to activities authorized by the U.S. Mining Laws on lands under wilderness review (43 CFR §3802.0-1). The Rim Mine is not within lands which are under wilderness review and therefore the regulations you cite are not applicable. The appropriate regulations governing operations at the Rim Mine are found at 43 CFR Subpart 3809.

Table 1 of your letter cites regulations at 36 CFR § 228.10 regarding cessation of operations. These regulations apply to operations on lands administered by the US Forest Service. The Rim Mine is located on public lands administered by the BLM and as such the regulations at 36 CFR § 228.10 are also not applicable.

2. Interim Management Plan

2.1

Pursuant to 43 CFR §3809.400, some provisions of the BLM regulations at 43 CFR Subpart 3809 do not apply to plan of operations that BLM approved before January 20, 2001. The excepted provisions are the plan content requirements including an interim management plan (§3809.401) and the performance standards (§§3809.415 and 3809.420). The BLM approved the plan of operations for the Rim Mine in 1983. Therefore, an interim management plan, as specified at 43 CFR §3809.401(b)(5), is not required to be part of the approved plan of operations for the Rim Mine.

2.2

The BLM regulations at 43 CFR §3809.424 require operators to follow their approved interim management plan submitted under 43 CFR §3809.401(b)(5). However, as explained above, the plan of operations for the Rim Mine was approved before January 20, 2001 and as such, the plan of operations is exempt from this particular provision of the regulations.

The BLM surface management regulations in place prior to January 20, 2001 required plan of operations to include “measures to be taken during extended periods of nonoperation to maintain the area in a safe and clean manner...If not filed at the time of plan submittal, this information shall be filed with the authorized officer whenever the operator anticipates a period of nonoperation” (43 CFR 3809.1-5(c)(6)). The plan of operations for the Rim Mine did not state specific measures that the company would take during periods of nonoperation, though the company does actively monitor the mine site and takes the initiative to maintain the site. The BLM monitors conditions at the mine through periodic compliance inspections and resolves all issues of noncompliance as needed.

Since interim management measures are not specified in the 1983 plan of operations, the BLM Monticello Field Office requested Energy Fuels to submit a status update of operations at the Rim Mine along with proposed interim measures to be taken during anticipated periods of nonoperation. The BLM received the requested information on March 18, 2014. Enclosed for your information is a copy of the company’s proposed measures for interim management of the mine site.

3. Five Year Review

In accordance with BLM regulations at 43 CFR §3809.424(a)(3), operations that are inactive for 5 consecutive years should be reviewed to determine if the BLM should terminate the plan of operations and direct final reclamation and closure.

The term “Operations”, as defined at 43 CFR §3809.5, “means all functions, work, facilities, and activities on public lands in connection with prospecting, exploration, discovery and assessment work, development, extraction, and processing of mineral deposits...and all other reasonably incident uses...” Therefore, the meaning of the term “operations” as used at 43 CFR §3809.424(a)(3) is not limited to mine production activities. Regular facility maintenance work and environmental compliance activities are also considered “operations”.

The BLM has determined through routine site inspections that these activities are ongoing at the Rim Mine. For example, mine dewatering operations continued until as recently as February, 2013. The company is actively maintaining the site with the expectation that ore production will resume as the uranium market recovers. These maintenance activities include: site security; maintenance of roads, storm water drainage control structures, buildings and other facilities, including evaporation ponds and fences; general site clean-up and; environmental monitoring and compliance work. The BLM will continue to inspect and review operations on a routine basis for compliance with BLM surface management regulations and to ensure that an adequate reclamation bond is maintained. If during the course of regular inspection and monitoring, the BLM finds that operations have been inactive for 5 consecutive years then it will conduct a review to determine if reclamation should be required.

4. Plan of Operations

The plan of operations for the Rim Mine was approved by the BLM in 1983 in compliance with the BLM regulations and guidelines in place at that time. The BLM regulations at 43 CFR §3809.400(a) allow mine operators to continue operations under "the terms and conditions of a plan of operations the BLM approved before January 20, 2001".

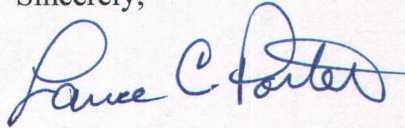
In 2008, the Utah Division of Oil, Gas and Mining (UDOGM) requested updated paperwork on all of the mines in Utah operated by Denison Mines. In response to the UDOGM request, Denison submitted an amendment to the Rim Mine Notice of Intent (NOI) for Large Mining Operations in January, 2010. A courtesy copy of the NOI amendment was sent to the BLM.

As stated in the NOI amendment, "No changes at the facility have been made or proposed, this NOI is only intended to update outdated paperwork for the facility". Similarly, the transmittal letter to the BLM states "No additional disturbance or changes in activities from those proposed in the approved Plan of Operations are proposed at the mine site". The BLM reviewed the updated information and concurred with Denison's general characterization of the amended NOI as a "paperwork update". Upon review, the BLM determined that the amended NOI simply provided a more detailed description of the approved operation, including updated maps of existing facilities. No expansion of operations or surface disturbance was proposed. A minor discrepancy between the estimated acreage in the original plan of operations (13.3 acres) and the amended NOI (15 acres) was determined to be the result of advances in mapping technology and not due to the addition of new areas of surface disturbance. One preexisting mine adit, the Columbus, was identified as a passive ventilation portal but the amended NOI prescribed no improvements to be made to the old adit.

Based on review of the amended NOI, the BLM determined that the updated information was consistent with the approved plan of operations and did not constitute a substantive change requiring an approved modification of the plan of operations. The updated information was determined to be, at most, a minor modification which was accepted without formal approval by the BLM pursuant to regulations at 43 CFR §3809.432(b).

If you have further questions, please contact Ted McDougall at (435) 587-1512.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lance C. Porter". The signature is fluid and cursive, with the first name "Lance" being the most prominent.

Lance C. Porter
Canyon Country District Manager

(1) Enclosure 5 pgs:

Interim Management Plan

cc:

Monticello Field Office (UTY020)

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